Gentrification and Individualization: The Case of Fehrbelliner Straße 6

by

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I. Introduction

Fehrbelliner Straße number six sits on a short stretch of quiet street in the Prenzlauer Berg district of the former East Berlin, a few doors down from the neighborhood square of Teutoberger Platz. The building facade is a newly painted pink, glowing in stark contrast to the house to its left, which is still grey and crumbling: a reminder of how every building in this neighborhood looked twelve years ago. Walking past number six, one would hardly imagine its history and the stories of the people inside. It could easily be mistaken for just another renovated apartment building filled with the young western professionals who have been flocking to this neighborhood in increasing numbers since the fall of the Berlin Wall in 1989.

But this house is different. Most of the residents, currently in their late twenties and early thirties, grew up under the German Democratic Republic and were about eighteen years old when the wall fell. Though most despised the repression of the GDR, they are not enamored of the new capitalist ways of doing things, either. They have created this house as a way to protect themselves from rising rents, and to give themselves the space to create their own systems of relationships that are not based solely on the pursuit of profit. It is important to them, too, that this house serve as an example for people outside it, a physical manifestation of the idea that you can live differently, that you don't have to live, as one resident says, "alone in a box." This house, another resident declares, should serve as a form of communication to the rest of the world.

In 1990, East and West Germany were reunited, along with the two halves of this city. It has been a difficult transition, especially for citizens of the former German Democratic Republic.

One of the challenges for people who grew up in the GDR is now dealing with money and the new cost of living. Under the GDR, basic goods such as food and shelter were heavily subsidized; now, people are confronted suddenly with the fact that much more money is required in order to live. Rents, which were kept at low levels by the East German government, have risen in response to western real estate speculation in Berlin's eastern neighborhoods – speculation based on the prediction that Berlin will once again become a city of global importance (Strom and Mayer 1998).

My question is how renters can protect themselves against the displacement caused by rising rents and gentrification: in what ways they are able to maintain their communities despite the land speculation and cultural changes brought on, in this case, by the rapid transition to capitalism. As is seen in the neighborhoods of the former East Berlin, gentrification is an individualizing process. In the case of Fehrbelliner Straße 6, the best response has proven to be individualized as well.

II. Methodology

A. Elements and evidence

There are three parts to this story: a review of the relevant literature on gentrification; the history of housing in the former East Berlin and post-reunification gentrification in the eastern district of Prenzlauer Berg; and the specific case of tenant response to threats of displacement in that district. The literature review is, at its name implies, based solely on documents. The history of housing and gentrification is based on interviews both with case study participants and people with academic or professional knowledge of the situation, and on written documentation. The case study of Fehrbelliner Straße 6 is based mostly on interviews with participants and direct observation, with some documentation (such as photographs and videotape) provided by the participants.

B. The case study method

The case study is the main focus of this paper. Researcher Robert Yin writes of this method,

> As a research endeavor, the case study contributes uniquely to our knowledge of individual, organizational, social, and political phenomena... the distinctive need for case studies arises out of the desire to understand complex social phenomena. In brief, the case study allows an investigation to retain the holistic and meaningful characteristics of real-life events. (Yin 1994)

A case study is a close look at one particular manifestation of the larger phenomenon in question. I am interested in the broad question of how tenants work to protect themselves against the displacement created by gentrification, and I approach the question by researching the story of one group of tenants in one neighborhood in one city. I am working with several levels of particularities. Berlin has such a unique geographic and political history that some would argue that any findings here could not be applied to other tenant groups or other cities. It is, however,

precisely because Berlin is going through this unique experience that it is of special interest. As Elizabeth Strom writes in her study of Berlin's urban development in the 1990s,

> A city in the throes of such precipitous change is nonetheless theoretically important, as it offers an excellent laboratory in which to study the central question of urban political economy: Who, or what, determines the course of urban development? (Strom 2001)

Similarly, I hope that this case, though perhaps unique, will shed light on – to use Yin's words – the "complex social phenomena" of tenant response to gentrification within the context of global economic change.

C. Interviewing approach

I was first introduced to Thomas Meyer, a resident of Fehrbelliner Straße 6, by a mutual friend. After having coffee with Thomas and talking with him about the house, I visited the building and ate dinner with some of the residents, during which we talked informally about the house's history and goals. Later I sat in a bar with another resident, Frank Kose, and found out more about the house's history and his own relationship to it. I then attended one of the weekly house meetings, at which I explained, in as best German as I could muster, why I was interested in learning more about how they had created their house within the context of neighborhood displacement. I asked if people would be interested in being interviewed by me, and twelve people – almost everyone present – agreed to do so. Although I had originally planned to interview all seventeen adult residents, I later decided to keep it to these twelve, since they were the ones who had first expressed interest. Talking to twelve of seventeen people seemed representative, and I was not inclined to push myself onto other residents who may have been reluctant to be interviewed. I was fortunate to also have the chance to interview one former resident of the house, bringing the total number of case study interviews to thirteen. In addition

to the interviews, I had several informal conversations about the house with residents, mostly with Klaus Liebscher and Frank Kose.

All the interviews except one were conducted primarily in English, although occasionally residents would translate for each other. One interview was conducted with three people together, and two were conducted with two together; the others were held one-on-one. The one interview conducted solely in German was translated for me by another resident (where translation takes place, it is noted in the text). English proficiency varies among residents, and some were frustrated that they could not express themselves to me with more subtlety. Nevertheless, their communication was clear. Most of the interviews lasted between ninety minutes and two hours. I tape recorded all but three. The thoughtfulness and passion of their responses to my questions was almost overwhelming at times. These people have clearly spent years wrestling with the issues we discussed over the course of a few weeks. I am deeply grateful to them for sharing their thoughts and stories with me. I only wish I spoke their language more ably, and had more time to sit with them and listen to their analysis.

III. Gentrification: a Review

A. Gentrification in advanced capitalist societies

Gentrification is the movement of capital and middle- and upper-class residents into urban areas which had previously been left to deteriorate, causing property values to rise, and leading, ultimately, to the displacement of the low-income population that had occupied the area when it was cheap and run-down. In order for this reinvestment to occur, a suitably abandoned and devalued stock of housing must first exist. Gentrification depends on an enviroment of land speculation, and is therefore a direct product of capitalism.

Capitalist economic strutures are coming to dominate the globe. With the collapse of the Soviet Union and its bloc, communism was disproved as a viable system, and along with it policies of guaranteed housing and state control of land use decisions. With the rise of the European Union and its emphasis on increased competitiveness in the global market, social democracies throughout that continent are spending less money on social goods including housing, and giving more responsibility for the provision of such goods to the private market. National housing policies throughout Europe are coming to more closely resemble those of advanced capitalist societies like the United States.

B. Natural cycles vs. growth coalitions

For decades, theorists of cities conceptualized urban development as parallel to ecological development. Cities, they said, evolved in a sort of natural progression. Just as the wilderness shifts from prairie to scrubland to forest, eventually catches fire, burns down to nothing and then slowly reseeds as prairie, so areas within cities shift from wealthy to poor and back again, and the

inhabitants shift accordingly (Burgess 1925). Gentrification, according to this theory, is just part of the natural cycles of urban change.

The problem with this theory is that is does not account for human agency. Urban theorists interested in examining economic and political structures challenged it, seeing the city as a product not of natural forces but of a growth coalition, used in order to create profit for those with power. In *Urban Fortunes: The Political Economy of Place*, John Logan and Harvey Molotch described the city as a "high-rise stock exchange" (Nyden and Wiewel 1991). There is a purpose behind the neighborhood cycling, they argued, and it is to make some people wealthy, necessarily leaving others behind. Gentrification and displacement of low-income people is part of the cycle, a result of the growth coalition of investors and city governments eager to connect with private capital.

Some theorists accepted this explanation, but did not agree that gentrification, per se, posed much of a problem for American cities. In his article "Islands of Renewal in Seas of Decay," geographer Brian Berry argued that gentrification, in fact, when it happened at all, happened in such isolation and in so few places compared to the gross overall abandonment of American cities that its effects should not be a priority for researchers and policy-makers. Urban problems were so huge that to focus on specific instances of displacement was not worthwhile (Berry 1986).

C. Economic explanations

The problem with Berry's argument is that he views the issue of gentrification in isolation – on two levels. First, he does not see the specific instances of gentrification and displacement in

cities such as New York, Boston and Washington, D.C. as interconnected or portending a sea change in urban development. Second, he is able to minimize the threats of gentrification because he does not place the issue in the larger context of global economic restructuring. When gentrification is viewed as a local manifestation of larger economic changes, it becomes more ominous, and more significant.

A theory of gentrification that connects local change to global economic restructuring has been developed, most notably, by the geographer Neil Smith. In *The New Urban Frontier: Gentrification and the Revanchist City*, Smith argues that gentrification is a local manifestation of global trends of "uneven development," and as such is an important component of what has come to be known as neo-liberal global restructuring. He writes,

> Since the 1970s, the economic restructuring that succeeded the postwar political economy has reached into every corner of economic and social activity. Through gentrification as well as service cuts, unemployment and attacks on welfare, the restructuring of working-class communities – the reproduction of labor power – is itself attacked as part of this larger economic restructuring... Gentrification is thereby part of the social agenda of a larger restructuring of the economy. (Smith 1996)

D. Cultural explanations

Some researchers argue that those who base their interpretations primarily on marxist theory miss the important cultural dimensions of gentrification. Gentrification, they argue, is a result of a change in consumer preferences for central city living, and is part of the larger demographic shift toward postponing marriage, childbearing, and the resulting move to the suburbs. Artists, gays, students and others who have chosen the so-called "alternative" lifestyles which flourish in an urban environment provide the demand for urban redevelopment. Robert Beauregard acknowledges these cultural arguments when he writes, in "The chaos and complexity of gentrification," that "gentrification must be theorized as part of the organic totality of the social formation" (Beauregard 1986).

Some theorists have worked to more explicitly combine the two explanations, recognizing that both economic structures and cultural shifts play a role in the process. Smith, in fact, addresses the cultural question in his chapter, "Social Arguments: of Yuppies and Housing" (Smith 1996). Sociologist Sharon Zukin, however, goes further in connecting economic and cultural factors in her work, *Loft Living: Culture and Capital in Urban Change*, a study of the transformation of lower Manhattan's industrial district into an area of expensive loft apartments. Zukin demonstrates how the social and cultural desire of consumers for downtown living matches the investment decisions of those who would use the city for capital accumulation. She writes,

> In terms of the cultural values that made loft living worthwhile, the real estate market in living lofts was set up to sell the social changes of the 1960s to middle-class consumers in the seventies and eighties. (Zukin 1989)

This description of actors in the New York real estate market of the 1980s could just as easily describe the current housing market in the Prenzlauer Berg district of the former East Berlin.

E. Gentrification in post-communist nations

Cities within countries that are currently making the transition from communism to capitalism are particularly susceptible to gentrifying forces. Outside real estate investors, usually from western countries, had long been eager to enter these new markets. The initial low prices of land intensified such speculative investment, as did the excitement of the changing political scene. Neil Smith describes the case of gentrification in Budapest, after the political and economic transformations of former eastern bloc countries in 1989. He writes of that city,

> Insofar as it involves a dramatic, perhaps unprecedented, shift from minimal to maximal investment in a newly evolving land and housing market, it provides a laboratory for examining the interconnected parries of supply and demand, the impetus of production-side and consumption-side forces in the genesis of gentrification. (Smith 1996)

The newly unified German government has provided more protection for low-income renters than has Hungary, in part because it has had more money to do so. Gentrification in the former East Berlin proceeds regardless, albeit at a slower pace, and is of interest for precisely the reasons Smith outlines for Budapest. The fact that Berlin is in the midst of what has been described as a "permanent state of fiscal crisis" means that the city may not have funds available for social protection for much longer, and displacement of low-income people may become a larger problem as the budget crunch intensifies (Cochrane and Jonas 1999).

There is a small body of literature on gentrification in the Prenzlauer Berg district, although it is available almost exclusively in German and is therefore inaccessible to the general American audience. Sociologist Hartmut Häußermann, of Humboldt University, has performed the most widely-cited studies of the area; the results of a three-year study on gentrification in Prenzlauer Berg, co-authored by Häußermann, Andrej Holm and Daniela Zunzer, will be published in the summer of 2002. Shorter works, including Holger Stark's 1997 *Gentrification in Prenzlauer Berg?* and Matthias Bernt and Andrej Holm's 2002 *Gentrification of a particular type: the case of Prenzlauer Berg*, indicate the level of interest generated by cultural and economic shifts in the area, and the degree of concern about displacement of low-income residents from the era of the German Democratic Republic. The work of these researchers in gathering and analyzing the data that describes the changes in Prenzlauer Berg serves as a basis for my research into tenant response to gentrification in the area.

F. Tenant response to gentrification

Research on tenant-initiated response to gentrification is wide-ranging. Important works include Anders Corr's *No Trespassing: Squatting, Rent Strikes and Land Struggles Worldwide*, in

which he examines the role of squatting in resisting housing displacement; Margit Mayer's work on political squatting movements in West Berlin; and the Youth Action Research Group's *A Reality Tour of Gentrification in Columbia Heights*, an examination of tenant response to threats of displacement in a rapidly gentrifying neighborhood in Washington, D.C.

There is, however, little research that connects a larger theory of gentrification with tenant struggles to resist it. Damaris Rose is one of the few to make an attempt. In "Rethinking gentrification: beyond the uneven development of marxist urban theory," Rose argues that reducing gentrifiers to one class of upwardly-mobile people, or "yuppies," as most researchers have done, is to obscure the complex, shifting social dynamics of cities in the midst of economic transformation – and to hinder the development of more nuanced theories of gentrification. Research that "question[s] some of the existing categories," she writes,

> should eventually yield an expanded, and much more adequate, specification of the necessary tendencies and contingent conditions for gentrification (as currently defined) to take place. It is to be hoped that it will also help to generate more subtle and sensitive methods for exploring particular empirical situations where these tendencies may or may not become reality. This may help us clarify what constitute progressive types of intervention and to identify "oppositional spaces," within the noncommodified sphere of daily life, where such interventions may be tried out. (Rose 1984)

Rose wants us to bring a theoretical perspective to explanations of anti-gentrification struggles. In explaining the case of Fehrbelliner Straße 6, I attempt to make this connection between anti-displacement organizing and a larger theory of gentrification. Her writing serves as a basis for my theory.

IV. Housing in (East) Berlin

A. Housing policy in the German Democratic Republic and (East) Berlin

The German Democratic Republic was established in 1949 after the defeat of Germany in the second World War and its consequent division by the Allied powers. The nation was founded on communist principles, among which was the right of all citizens to basic needs such as housing. This did not mean, however, that the state engaged in total expropriation of private property upon its founding. Forty percent of the housing in the GDR remained in private ownership throughout the country's existence. In East Berlin, 24% of property was privately owned, heavily concentrated in central districts (Reimann 1997).

In order to guarantee that all citizens could afford housing, however, the state kept strict control of the rents private owners were allowed to levy. Rents were frozen at levels that had been set in 1938 by the National Socialist regime. The Nazis had determined that housing rents should be set at one Reichmark per square meter nationwide, and once the German Democratic Republic was established, its leaders were loathe to set rents at higher levels. Therefore, rents were generally set at one Ostmark per square meter, and no plan for increase was incorporated into this decision (Holm 2002b). This meant that, throughout the time of the GDR, people spent around five percent of their income on housing costs. One citizen of the GDR, for example, who at the time earned one thousand Ostmarks a month, paid a rent of just 56 Ostmarks for a unit large enough to house his family (Senoner 2002). The downside to this arrangement was that the apartments were generally dilapidated. The rents were set so low that landlords could not afford repairs, and owning a building was not a profitable endeavor. In fact, owners often gave their buildings to the state because they had become too difficult to manage (Reimann 1997). There

was however, a continual housing crisis in the GDR, with long waiting lists for the new housing built by the state. The crisis was especially severe in East Berlin, which attracted residents in part because of the additional subsidies the city received from the federal government in order to make it a "showcase of socialism" (Häußermann and Strom 1994).

B. Central city disinvestment in the GDR

As noted earlier, gentrification occurs when an area receives a reinvestment of capital. Therefore, the process begins with *dis*investment in the built environment. In the GDR, disinvestment in central Berlin was a conscious decision of the state and was based on economic and political factors (Häußermann 1998).

One reason for disinvestment was that state simply could not afford to renovate old buildings. Under pressure to provide housing, the state did not have enough time, money, skilled workers or firms to renovate the old buildings. In addition, the material to renovate old houses was not available – but there was plenty of concrete to build the *Plattenbauen*, prefabricated buildings made of concrete slabs. As long as enough open land was available on which to build, a certain economy of scale could be achieved in Plattenbau construction, which meant that new housing was located on the edge of the city (Bernt 2002).

Some historians believe that there was also, however, an explicitly political reason for abandoning the central city. According to this theory, the GDR did not invest in any repairs of older inner-city housing because it was built during the pre-1918 *Gründerzeit*, the period of rapid industrial expansion (S.T.E.R.N. 1995), and thus was a symbol of capitalism. The old class structure was literally built into the buildings, with the most expensive apartments on the lower

floors, facing the street, with large windows and ornate detail; cheaper apartments higher up, with smaller windows and less detail; and the cheapest units of all placed further back off the street, behind courtyards in inner buildings that received less light (Schulz 2002). The new government's plan for the city, one scholar writes, "was a demonstration of political power over the *Kapitalverwertungsprozeß* (realization of surplus capital value)" (Häußermann 1997). The very purpose of the city, according to marxist analysis, is as a center of capital accumulation (Harvey 1973); the GDR was trying to remove this purpose. By the time of reunification, one quarter of the population of East Berlin lived in these housing estates on the edge of the city (Häußermann and Strom 1994).

The result was that development in East Berlin actually paralleled that of the 1950s suburbanization of the United States, with the national government focusing on developing the urban fringe at the expense of the central city. The GDR planned to eventually tear down all the old buildings of the central city and replace them with Plattenbauen, and it was only a lack of finances, along with strong citizen resistance to the plan, that prevented this from happening (Bernt 2002). GDR leaders could not know that their tactic of deliberate disinvestment would, once their government was toppled, ensure that their capital was now primed for gentrification and displacement.

C. Central city reinvestment since reunification

On November 9, 1989, the Berlin Wall fell. The following October, after forty years of division, the German nation, along with its former capital, was reunited. With reunification came reinvestment in the central neighborhoods of the former East Berlin. The reasons for reinvestment have been both cultural and economic.

Cultural changes since reunification have been significant. The socialist city of the GDR was made up of the new Plattenbauen, and most people were happy to get a unit in one of those buildings, equipped as they were with amenities like elevators and central heating. Today, reminders of the GDR are viewed negatively by many of its former citizens, many of whom reject the socialist housing stock. One scholar describes this attitude as "an anti-communist reflex" (Holm 2002a). The building style itself is not universally reviled; in fact, the Plattenbauen which happen to be centrally located in desirable neighborhoods are becoming quite popular among young people, generally from the west, who are into the kitsch of all things East German (Roth 2002). But in general, a renewed interest in the central city on the part of former citizens of the GDR – especially among the younger and more mobile of these citizens – has been based partly on a rejection of the Plattenbau housing estates at the edge of town, and the system which built them.

The second, and more important, reason for central city reinvestment is economic. One of the agreements at reunification was that the new German government return property that had been siezed by both the Nazi and the GDR regimes to its original owners. Many of the original owners in central areas were Jewish: in many cases, they and their families were completely decimated by the Nazis, in which case the property goes to an organization representing Jewish interests, which sells it to the highest bidder and distributes to proceeds to descendants of Holocaust victims. In other cases, heirs are simply not interested in moving back to Berlin and dealing with the property, and so they sell it. In addition to being a complicated and time-consuming process, in which competing claims can take years to sort out, restitution has fundamentally restructured the nature of property ownership in central Berlin. Ownership has

been transferred from local people – who often owned shops on the ground floor of their buildings and had an immediate interest in the neighborhood – to western investment companies interested only in profit rates, for whom the buildings serve primarily as tax write-offs (Reimann 1997).

D. Changes in housing since reunification

One of the goals of reunification was to integrate all aspects of the former East and West administrations, and to do so using the western model. This meant that national housing policy would eventually follow the western model: still regulated, but not subsidized to nearly the same extent as under the GDR. Between 1990 and 1998, rents in the former East Berlin were still set by the government, though they were gradually increased to the point that, by 1998, average rents throughout the east of the city were at about five Deutschmarks per square meter in unrenovated buildings, while in renovated buildings, rents could be as high as eight or nine Deutschmarks per square meter (Holm 2002b).

For citizens of the former GDR, who were accustomed to paying rents fixed by the state, having to suddenly negotiate rents on an individual basis with a private landlord came as something of a shock. Because of this individualization of rent-setting, people living in apartments in the same building, of the same size and quality, can now end up paying quite different rents. The amount each tenant pays depends on how well he can negotiate and how well he understands the complex rent regulations. Most tenants don't understand the system very well. Most owners understand it quite well. Therefore, tenants often end up paying higher rents than they would have had they known their rights and known how to bargain (Holm 2002a).

Since 1998, rents have been regulated by means of a device called the *Mietspiegel*, or "rent mirror." Every two years the city surveys buildings throughout the city to determine the rents that are charged for a range of units, depending on their age, size, quality and location. The range of rents for each type of unit, along with the average rent for that unit, are published in the Mietspiegel. A building owner can raise the rent for current tenants on a given unit by twenty percent over the average rent for that unit type over the course of three years. However, when a new tenant moves in, the owner can immediately raise the rent to twenty percent over the average rent for that unit type, or to the maximum permitted by the Mietspiegel, whichever is higher (Holm 2002b). One of the results of this system is that a high tenant turnover leads to more quickly rising rents. Owners eager to rid their buildings of tenants often offer current residents sums of money to move out – money which is easily recouped through the higher rents owners are then free to demand (Meyer 2002).

Immediately following reunification came a period in which it was unclear which government was in control, let alone who owned which properties. Squatting, which had happened covertly under the GDR, out of fear of reprisal by the *Stasi* police force, experienced something of a boom in East Berlin in 1990. A whole street of abandoned houses in the eastern district of Friedrichshain was taken over by squatters, and in the summer of 1990 they were brutally evicted by hundreds of police, in a three-day battle that demonstrated the new intolerance of the state for squatting (Stürmer 2002). But public sympathy ran high for the squatters, as the combination of blocks of vacant houses and the difficulty of finding a flat to rent struck most people as absurd, and squatting as a logical response. The Berlin Senat responded to the surge of politicized squatting by borrowing a tactic from the West Berlin government: by legalizing squatting, and offering grants and loans to squatters to purchase and renovate their houses. The

Senat developed the program under the rubric of *Wohnpolitische Maßnahmen*, or Political Housing Measures, and it became popularly known as the *Selbsthilfe Program* – the Self-Help program (Holm 2002b).

E. The *Selbsthilfe* program

The *Selbsthilfe* program was created in the 1980s in West Berlin as a response to the intensely political squatting movement that had arisen there. The program served two purposes: to provide affordable, renovated housing by making use of participant labor, thus reducing the cost to the state; and to effectively destroy the squatting movement that had caused such publicity problems for the government (Mayer 1993). In West Berlin, the program had been comprised solely of grant distribution. Now that there are less funds available for city programs generally, the program is more complex, made up of a mix of grants and loans, and operated through intermediary corporations, instead of by the Berlin Senat directly.

In order to participate in the program, a given house must meet certain qualifications, as determined by the intermediary. First, the company makes sure that the particular house is appropriate for the program: that, for instance, the people in the house can physically manage the labor (a house full of World War Two widows probably would not qualify), that the house is of a certain age, and that at least half the people who live in the house agree to participate in the program. Then the company figures out how much it would cost to reconstruct the house to certain standards. Finally, a contract is drawn up between the residents of the house and the company, in which the details of the finances, rights and responsibilities are explained (Schmierbach 2002).

Ordinarily, participating in the *Selbsthilfe* program involves the residents taking ownership of the house. Part of the point of the program is to give residents a sense of investment in the house, in order to ensure that they care for it in the long term – and perhaps also to ensure their investment in a society in which private property ownership is playing an increasingly important role. Most of the program participants, after all, come from the strongly anti-state squatting movement. In literally giving them what they wanted – their homes – the state successfully made them part of the system (Mayer 1993, Stürmer 2002). Several groups of tenants in the Prenzlauer Berg district, including that of this study, have participated in the *Selbsthilfe* program in an effort to gain control of their housing. As will be seen, however, the residents of our particular case did not approach the program in quite the usual way.

V. Gentrification in Prenzlauer Berg

A. Prenzlauer Berg under the GDR

Prenzlauer Berg, one of the 23 *Bezirke*, or districts, of Berlin, lies to the immediate northeast of the center of the former East Berlin – which, before its division, was the center of the whole of the city. Sixty-seven percent of the housing stock in Prenzlauer Berg was built before 1918, giving it the largest concentration of old housing stock in the eastern half of the city (Häußermann et al., forthcoming). Under the GDR, the area was neglected, and the housing stock severely undermaintained. At the time of reunification in 1990, 88% of units in the area were heated with coal ovens, 43% had no bath, and 25% had no toilet, but shared a hallway toilet with other apartments in the building (S.T.E.R.N. 2001). Building facades were crumbling and gray, plumbing and electricity systems were falling apart, and internal structures such as staircases were in urgent need of repair (Eigler 1996).

Prenzlauer Berg is a relatively large district made up of many smaller neighborhoods, or *Kiez*, which are generally based around neighborhood squares or parks. The *Kiez*, sometimes spelled *Kietz*, appears to be a concept that is specific to Berlin. The word refers to a very local, geographically immediate neighborhood that is also marked by a strong sense of community. According to one historian, it was in the district of Prenzlauer Berg that the concept of *Kiezkultur* developed (Eigler 1996). During the time of the GDR, community activism within the Kiez ran high in Prenzlauer Berg. It was within the spirit of the Kiez, for instance, that residents organized to prevent the GDR from tearing down their homes in order to build the new Plattenbauen (Bernt 2002). Berlin, one resident says, is a big city of many villages, and some people rarely leave their Kiez (Meyer 2002).

During the time of the GDR, two kinds of people lived in Prenzlauer Berg: those who were unable to get an apartment in the new Plattenbauen, and those who rejected GDR ideals and so had no desire to live in the new socialist city on the edge of town. These were people, as one long-time resident of the neighborhood said, who were "looking for a real socialism, and the GDR was not a real socialism" (Buckow 2002). The area attracted dissidents, activists, students, and others who questioned GDR ideals. It became a place for people who had been alienated somehow, and a culture of resistance and activism grew there (Häußermann 1997). There was more community space in Prenzlauer Berg than in the huge Plattenbau housing estates, like Marzahn, at the edge of town. As one resident says, "I'd come from Marzahn, where people don't know each other too well, don't have much contact with each other. People are more alone. Here we are more of a team" (Klotsch 2002, translated by Kose). People in Prenzlauer Berg had the room to meet and discuss issues (Buckow 2002). An underground literary scene thrived in the area, made up of writers who were excluded from GDR official cultural life because of their "deviant" attitudes on art and politics (Eigler 1996).

B. Prenzlauer Berg after reunification

At the time of reunification, Berlin's Bezirke had barely been able to hold the 1990 municipal elections and figure out how to govern themselves before they were "besieged by developers," who envisioned huge profits to be made in what they imagined would be the new world city of Europe (Strom and Mayer 1998). The overwhelming majority of buildings in the district were subject to restitution claims, and once all restitution claims have been processed, about 85-90% of the property in Prenzlauer Berg will have been returned to the original owners or their heirs. Only 5-8% of original owners of buildings in Prenzlauer Berg are holding onto

their property and investing in it for the long term (Reimann 1997). As discussed earlier, the basic economic structure of housing in the area is changing, as local owners are replaced by international investment firms.

Since reunification there has been a major cultural shift in the neighborhood, as well. New people have been attracted to the area by its history as a center of culture and dissidence, the novelty and sense adventure of living east of the wall, and its affordability and proximity to downtown. Newcomers tend to come from western Germany as well as from other countries. Many of the new residents are here just to live out a phase of their lives, to then move on when they grow older and have families. As one resident says of the young people in Prenzlauer Berg, "This area is a part of their youth, but it's not part of themselves" (Weidmann 2002). As seen in the discussion of the *Mietspiegel*, the high turnover rate of transient young people means rents can go up much more quickly, making the neighborhood as a whole less affordable to low-income residents.

C. Gentrification and displacement: economic

Prenzlauer Berg is full of anti-gentrification graffiti. "Yuppies auf's maul" reads one inscription on a building near Teutoberger Platz, which translates roughly as "Sock yuppies in the mouth." "Kein Spekuland," or "No speculation," graces the entrance of one formerly squatted house, and a spraypainted "This way Kollwitzplatz," complete with arrow pointing the way, is a helpful guide for tourists who may be searching for that more famous, and now thoroughly gentrified, quarter. Still, despite the strong sentiment, it's unclear exactly to what extent gentrification and displacement are taking place here – and, if they are happening, the forms which they take.

When a city redevelopment agency surveyed thirty buildings in Prenzlauer Berg that had been privately renovated in the early '90s, it found that unregulated modernization had led to a 70 percent increase in rents, and that tenants in modernized buildings typically earned 50 percent above the median income for the neighborhood (Strom and Mayer 1998). It was in the chaotic first few years after reunification, before the state had time to respond, that much of the damage to affordability was done. It was a time when most people – especially older people who had lived most of their lives under the housing system of the GDR – did not know their rights and were easily intimidated by new building owners who offered them chunks of cash to move out, or simply told them they had to leave. Today, owners can incorporate 11% of the costs of renovation into the new post-renovation rents. When people leave their buildings in order for renovation to take place, many of them do not return because of the newly raised rents (Schilf 2002).

It is difficult to precisely track changing rent levels in Berlin. One reason is a lack of data: Germany has not performed a census for over fifteen years, because of political disputes ranging from issues of privacy to how to define ethnicity (Schulz 2002). The threat of rising rents, however, is of much concern to tenants citywide. As Berlin continues to founder in its budget crisis, less money is available for renter protection and anti-displacement programs. There are rumors that the *Mietspiegel* system of regulating rents is about to be cancelled, and social housing – privately owned but heavily subsidized by the state in order to keep rents low – is becoming less available (Roemer 2002). By 2008 the number of social housing units "is expected to decrease by several tens of thousands, as the regulations attached to the original construction subsidies run out and owners are allowed to increase rents" (Strom and Mayer

1998). The state is trying to get its citizens accustomed to the inevitability of increasing rents through the use of what one researcher calls a *Salamitactik*: slicing off the money available for renter protection little by little, so no one really notices the incremental changes or organizes against it (Holm 2002a).

Nonetheless, a western researcher observing the case of Prenzlauer Berg might conclude that gentrification and displacement are, in fact, not issues here. Rents in the area are, by western standards, still quite low. It is easy to find a room in a fully renovated apartment, shared with one other person, for about 200 euros or less, which comes to about 180 U.S. dollars: not bad for a spacious room (as most of them are) in a well-located neighborhood full of hip young people, in a major European capital. Even cheaper rents can be had if one is willing to live in an unrenovated apartment, or if one is the recipient of a rent contract passed on by a friend.

Yet displacement is still of great concern. On one level, gentrification is a very place-specific process, subject to local conditions. Rents in the area are low only when seen within the context of affordability standards of the United States, wherein households are expected to spend about 30% of their income on housing costs. This is a culturally-determined standard, and there is no reason it should apply worldwide. As one researcher who grew up in the GDR exclaimed of Prenzlauer Berg, "People are starting to pay crazy rents here! Thirty, forty percent of their income!" (Bernt 2002). When the rising rents are seen within the context of GDR society, they are quite high, and income among former citizens of the GDR is not rising as fast as rents. Shortly after reunification, East Germans were earning 37% the income of West Germans (Krätke 1992). Though the gap has narrowed somewhat, East Germans are still at a distinct income disadvantage today. Even low-income westerners moving to Berlin have more money

than most easterners, and are able to bid rents up accordingly. As one scholar writes, "As far as Berlin's housing market is concerned, there is no reunification, as the market is only open for West Berliners" (Krätke 1992). Residents of neighborhoods in the former East – and indeed, all across the former GDR – are being told they simply need to get used to the new ways of doing things. But as one former resident of Prenzlauer Berg says,

> If you have a certain amount of money you need to feed a person and to dress a person and to nurture it in terms of culture and whatever you think is a normal life, you need a certain amount of money. And if you have an income of just ten percent more, if the rent is thirty percent of your income, it cuts the quality of your life, drastically. (Koch 2002)

Even what are, by western standards, small nominal increases in rent can have a profound affect on the ability of people to continue to lead "a normal life."

D. Gentrification and displacement: cultural

Displacement due to cultural changes may be just as important as displacement that is directly caused by rising rents. Many people leave the neighborhood because they no longer feel at home there. One long-time resident describes the change:

> I know a few of the older people, and they were talking here: "I don't have my pubs, I can't go anymore in pubs and what should I do?" Berlin has the *Eck-Kneipe*, corner pub, and you always had pubs on the corner. You had your own pub, and if it closed, they couldn't go to another pub, and they were sitting at home, and they hadn't any place to talk. It was the first thing broken: their meeting point. Most old people lost contact with others when the meeting points were closed. (Schmierbach 2002)

There was another reason long-time residents started leaving the neighborhood. When the wall came down, many people who had lived in housing estates such as Marzahn moved to single-family homes on the edge of town. With the housing estate units now freed up, people who had long suffered the terrible housing conditions in districts like Prenzlauer Berg had the chance to move in. The above resident describes this process, and the consequent disruption of community:

> [The old people have moved] not so far from here. They live in the Plattenbauen a few kilometers away. There they live because everything was really broken here ten years ago. It was looking like after a war. Most of them were really happy to move into the new buildings: everything is okay, new windows and a toilet, hot water – but now they see it's only a box and not a house. But now it's too late. (Schmierbach 2002)

This latter explanation, of course, is not displacement in the common sense of the word: these people have been presented with better housing opportunities, and have moved to take advantage of them. Still, in the end, they find that their community is gone, and they cannot get it back.

The cultural shift in Prenzlauer Berg can be seen in the demographic changes. Income and education levels are going up, and the 20-35 age range is more heavily represented. More people are moving into and out of the neighborhood. It is becoming more transitory (Häußermann et al., forthcoming). Many of the students now come from the west, and are, as one resident puts it, "financed by mommy and daddy," with the extra cash to drive up prices for all sorts of goods, not just housing (Zeisler 2002).

Those who have studied gentrification in Prenzlauer Berg have different analyses of what is happening and what the causes are. One sociologist, for instance, thinks the gentrification is more cultural than economic (Häußermann 2002). One employee of a city agency charged with redevelopment thinks the term "gentrification" is a "dangerous" one, and does not accurately describe the changes in the former East Berlin (Mersch 2002). But another student of the neighborhood thinks the theory of gentrification provides the most useful framework through which to understand the changes that are happening in Prenzlauer Berg (Bernt 2002). It is important to realize that culture and economics are intertwined: that new economic structures can create the cultural changes which lead to the destruction of a community based on something other than capital investment. Residents are not always being displaced direstly, but rather

indirectly, through the new economic system that has been imposed on them, and the concomitant cultural changes.

E. Responses to gentrification

Protection of neighborhood social structures has been a priority of the Berlin Senat for some time, at least in name. S.T.E.R.N., an acronym of sorts for S.T.*adt* E.R.N.*eurung*, or "City Renewal," is a quasi-public agency that was founded in 1985 to address redevelopment issues in the West Berlin district of Kreuzberg. Since 1991 it has also focused its efforts on Prenzlauer Berg. S.T.E.R.N.'s philosophy is based on the Berlin Senat's "Twelve Guiding Principles of the Gentle Approach to Urban Development." As Wolfgang Nagel, Berlin's senator responsible for building, describes this philosophy,

> The renewal of the old parts of the city is not merely a process of construction that improves the structures of the buildings and dwellings, but is also a social process. The latter process intends to protect today's inhabitants against being displaced, and will definitely improve their social position. The careful process of urban renewal reacts sensitively to people's interests in the areas of reconstruction, and will therefore continue to be the trademark of Berlin's redevelopment policy in the future. (S.T.E.R.N. 1995)

Since 1991, five redevelopment areas, or *Sanierungsgebiete*, have been defined within Prenzlauer Berg (S.T.E.R.N. 2001). The purpose of the *Sanierungsgebiete* is to encourage reconstruction of aged buildings by private investors, while at the same time ensuring that rents are kept low enough to allow long-time tenants to remain in the neighborhood. Owners of buildings within the *Sanierungsgebiete* may renovate their buildings with either private or public funds, though if they use public funds, which cover twenty percent of renovation costs, they give up the right to select building tenants themselves. Regardless of the funding source, however, owners must keep rent to certain affordable levels for the five years following renovation. After the five years are over, rents may rise according to the Berlin *Mietspiegel* (Schilf 2002).

The city seems to be full of places where tenants can receive help in dealing with building owners. Various renters assistance offices are in place throughout Berlin, some of which are funded by the city, and others of which are organized by neighbors on a smaller scale. *Mieteberatungen*, or renters' advice offices, are located throughout the city; there are six such offices in Prenzlauer Berg. For a small membership fee, tenants can join a *Mieteberatung* and receive legal advice and other forms of assistance (Frühling 2002). The *Kiezladen*, literally, "community store," is a neighborhood meeting place run by locals, and is another place where tenants can receive advice. Both of these resources, however, require tenants to be proactive in searching out assistance, and not all tenants are educated enough to take advantage of these services. A long-time Prenzlauer Berg resident describes how, despite the available help, many tenants are too overwhelmed by the changed system and lose their rights to saavy building owners:

> A part of people doesn't have the power, it was too much for their mind to be angry every day. And they don't know they're right. They don't know they're really right. So someone has serious clothes and comes to them, speaks with them and says, "You have to do this, I offer you this, I am really good, it is for you" – you don't know that you have no rights in this. (Frühling 2002)

In the window of one Kiezladen in Prenzlauer Berg hangs a sign that reads, *Wir Bleiben Alle*. This means, literally, "We're all staying here." The slogan came out of a tenants movement that emerged at the time of reunification when, though many East Berliners were moving to the newly opened West, others were defiant, wanting to remain in what was, after all, their home. Now the slogan also captures the desire of people to remain in their Kiez depsite the changes wrought by capitalism. As one resident tells it,

> It was the answer of the people to the East German government. You can open the wall, but not all the people will leave to the West. We want to stay here. But now it has a double meaning... we stay here again, if you come with your money, we won't go. *Wir bleiben alle*. But that's the problem, the money comes... (Schmierbach 2002)

Even given the opportunity to leave, to flee to the West or even just to higher-quality housing in estates on the edge of town, many people are determined to stay. They want to stay even if threatened with higher rents or changing culture. They built their communities under the GDR, they recognize the value of them, and the Kiez is their home. Under the rubric of *Wir Bleiben Alle*, tenants have organized to help each other remain in their communities. The residents of Fehrbelliner Straße 6 are some of these people.

VI. Case Study: Fehrbelliner Straße 6

A. The house

Fehrbelliner Straße number six is a classic pre-1918 Berlin apartment building: five stories high, with one side wing and an inner courtyard, or *Hof*. Today the house holds eleven self-contained apartments of various sizes, space for public events on the ground floor, and, on the top floor, a house meeting space, kitchen, deck, sauna and four additional bedrooms. Twenty-five people live here, of whom eight are children. Three years worth of self-made renovations were completed in February 2002. The residents, most of whom are semi- or unemployed, pay rents of about one half the amount charged in similar buildings in the area. Not all resident groups participating in Berlin's *Selbsthilfe* program have been so successful. This house, in its current state, is the culmination of a dream.

B. A brief history

Fehrbelliner Straße 6 was built over a hundred years ago, one of the oldest houses in its immediate neighborhood. Early in the twentieth century, as many as seventy-five people lived there, three times the current number (Schmierbach 2002). Over the course of the rule of the German Democratic Republic, the building deteriorated, as did buildings all over the central city; by the time of the fall of the wall, the house was empty save for two old women. At this time, the building was owned by three parties: one quarter by the state, one quarter by an old woman, and the remaining half by another old woman. Following reunification, the building was subject to restitution claims, like most others in the neighborhood, and its ownership status was in limbo for several years (Kose 2002).

It was just after the wall fell but before the official reunification of Germany, in the summer of 1990, that Klaus Liebscher discovered this building and took up residence without specific permission and without paying rent.[1] He had just finished a year of service in the GDR military, and was finishing out his two-year service requirement with a civil position in Berlin. He needed a place to live in the city, and housing for rent was hard to find. A friend alerted him to the fact that there were empty apartments available in Fehrbelliner Straße 6, and he moved in. At first, not many people actually lived in the house. Instead, it was mostly a meeting point for people who were filled with excitement about the recent political changes and the possibility of creating a new society. It was a place that served, as one long-time resident describes, as

> a meeting point – a cool possibility to meet and talk and have ideas to spin around. In this context it was a time of a change. There was a vaccum that could be filled. (Kose 2002)

The building was grossly deteriorated, but slowly, drawn by the community, more people moved in.

C. Fehrbelliner Straße 6 and the *Selbsthilfe* program

The residents knew they were living on borrowed time and that, once restitution claims were settled, the house was bound to be sold – at which point they would certainly be kicked out. In 1991, they decided to participate in the *Selbsthilfe* program in order to ensure that the house would remain theirs. But in order to participate, more apartments needed to be occupied. So Klaus started recruiting friends to join him. One of his initial recruits was Frank Kose, a friend he had met on his first day in the GDR army boot camp. Frank had been finishing up civil service in a small town in the east, and was trying to decide where to complete his studies in biotechnology. Klaus' offer determined his decision, and he moved to Berlin to join the house

[1] See Appendix A for list of case study participants and interview dates.

and the project (Kose 2002). The actual *Selbsthilfe* process, however, would not begin for several more years.

In the intervening time, many people joined Frank and Klaus in the house. Most were happy to have a place to live for free, and for the community of people that swirled there, but most were also uninterested in working on reconstructing the house. Some were turned off for political reasons – they didn't want to make the contracts with the state that participating in such a project would require – and some simply because they were uninterested in spending several years of hard labor on construction (Kose 2002).

By the end of 1997, restitution claims on the house had been settled, and the house came up for auction. Frank, Klaus and a few others decided that they would try to buy it – but they weren't able to find a bank that would give them a loan. Knowing that, if they were not able to buy the house themselves, they would surely be evicted by the new owner, they quickly worked out a deal with a local non-profit organization, Pfefferberg – a cultural center housed in an old brewery immediately behind Fehrbelliner Straße 6. The center was interested in helping the residents, and it also needed an emergency fire exit through the house's courtyard. Pfefferberg agreed to purchase the house in exchange for access to the throughway. Through a series of clever and raucous demonstrations, the residents managed to scare off any other interested buyers who came by to inspect the house, and Pfefferberg was able to purchase the house at auction for 425,000 Deutschmarks (at the time roughly 230,000 U.S. dollars). They arranged to rent it to the group at low rates and for the long term (Liebscher 2002). In exchange, the residents were required to use the public ground floor space for non-profit purposes, in addition to providing the fire exit access. The relationship with Pfefferberg, however, is mostly on paper, and the residents

control the house – the renovations, the selection of new tenants, the managing of the finances – themselves.

As it turned out, the residents were quite happy to not actually own the house themselves, and this non-ownership has become an important component of the house's success. The members had witnessed too many other *Selbsthilfe* houses fall apart over conflicts over money and ownership within the house. In addition, they realized that, if each household owned its own unit within the building, it could then later sell its unit for the highest bid, which would destroy the affordable nature of the house and could even bring in the exact people – yuppies – that represented the neighborhood changes most residents despised. Erik Schmierbach, who had been trained as a civil engineer, acted as the one full-time paid organizer of the house's reconstruction, and lives there today with his girlfriend and their child. He says of the ownership issue,

> The big mistake, if you own [your unit] as a person, then you have the problem that the money is between the people, then they have a totally different view on it. Before, they rented the place, they had the chance to leave or come as they wanted. After they bought the stuff, then it's your stuff, your place, and then everbody will be a capitalist. Maybe one person out of a thousand will say, okay, I'm so friendly that I own it but I give it away. But the most, when they own something and it is their own, they feel the changes: it's mine. Then if you decide to move, you sell it and make money. (Schmierbach 2002)

Once they had established themselves as a project of Pfefferberg, the residents were able to go ahead with the *Selbsthilfe* program. The renovation was financed through several mechanisms. Fifteen percent of the costs of renovation were to be provided by the residents themselves, in the form of sweat equity. Of the remaining 85 percent of costs, half was given to the group by the Senat as a grant, and half was made available in the form of a twenty-year, low-interest loan from the Bank of Berlin, which worked in cooperation with the Senat and the intermediary corporation. The residents spent a year planning the renovation of the house, and the next three years actually doing it. Each person worked at least two full days a week on the

house. The process was, by all accounts, exhausting: physically, mentally and emotionally. Henry Koch, a former resident of the house, describes the work:

> For no one it was easy. You have your trouble, and you're really tired, and you think: we've got to do this, because it's Sunday and the company comes tomorrow, you have to dig this out, it's a square meter and it's fucking hard material you've got to dig out of the ground. Okay, it's another three hours, and after these three hours you just go straight to bed. Or maybe get drunk before... You don't want to read a book anymore. It's quite a state of exhaustion at that point. (Koch 2002)

An important part of the contract between the house, the Senat and the intermediary company is that the house be kept affordable for 25 years. If in ten years, for example, Pfefferberg needed money and decided to sell the house, the new owner would have to abide by the contract until the 25-year term was up. The monthly rents are scheduled to rise very slowly over the term of the contract, and everyone knows exactly how much their rent will be at any given point over the next 25 years.

D. Working and learning together

Working together on the house reconstruction process was a crucial learning experience for the residents, in terms of teaching them how to live together. In doing the construction, it was important to the residents that they work on the whole house together, not just each person in his or her own unit. It was also important that they respect each other's abilities and each other's time constraints. One resident, for instance, did not always have the time to do as much work as she needed to do for a unit large enough to house herself and her three children, and everyone committed to assisting parents like her who needed help in preparing space for their kids. The point, as many residents repeated, was for everyone to take care of each other. No one could buy their way out of working by making a cash payment. Working together on the house has been one way that this group of people has solidified socially. Daniela Zeisler, who, together with Steffen Weidmann, their daughter, and their roommate Francisca, came late to the project, said

she was anxious to work on the house in part so that she could get to know the people with whom she would be living (Zeisler 2002). This way of working together was based on trust – as Erik and others emphasize, the group never had any written contracts among members, which was quite unusual for *Selbsthilfe* projects. It was based on a simplicity and transparency of internal organization (Schmierbach 2002). And according to Klaus, the longest-term resident, it was also based on love (Liebscher 2002).

In order for this house to be successful, the people creating it needed to learn how to build it from the ground up: both physically and socially. In the United States, we warn each other against reinventing the wheel: don't make your work harder than it needs to be, don't start from scratch if someone else has already laid the groundwork. But in German, one resident says, the saying runs the opposite: "You have to reinvent the wheel every time" (Buckow 2002). They could not simply follow the blueprint of another house project: they needed to find out how to do it themselves, and to go through the entire process themselves. Even a process as seemingly banal as deciding which lamps to place on the outside of the house, which sparked an hour-long discussion at one weekly meeting, needs to be experienced by the members so that everyone knows how they have arrived at decisions, and everyone is part of the decision-making process and is intimately invested in both the physical and the social structure of the house.

What this means, then, is that it is also difficult to transfer this experiential knowledge to another group of tenants. Although there are many *Selbsthilfe* projects in the former East Berlin, and several in the immediate neighborhood of Teutoberger Platz, there is no network among them. A few houses tried at one point to buy construction materials together, as it would have been cheaper to buy in bulk, but it didn't work. As Erik says, "Every house must learn for its

own. I don't know why. But it's always the same" (Schmierbach 2002). Some residents think that there is at least some logistical information that houses could share in order to make the work easier, but others think that taking these kinds of short-cuts could undermine the strength of the house community in the long term.

It's not that the residents do not want to share the knowledge they have gained through four years of work. Indeed, it seems to be because they do not own the house and cannot profit from it that they do not feel possessive of their experience and are willing to share every detail. Erik says of the other tenant groups,

> I think we could give really important information, but nobody is asking. At the moment, I don't go around like a radio, talking. They should come to me. But if people come to me, then I tell them. No problem. Because this thing isn't mine. I can tell everyone everything. (Schmierbach 2002)

So far, though, most other tenants involved in Selbsthilfe are too busy with their own projects to make connections with other houses.

E. The importance of the *Kiez*

Most of the residents of Fehrbelliner 6 have either lived or worked in the Teutoberger Platz Kiez for years. The immediate neighborhood defines, to a large extent, the rhythm of their daily lives and their experience of the city. Antje Buckow has lived in the neighborhood for eleven years, and now lives in the house together with Erik and their child. She says, "To me, Berlin *is* this Kiez" (Buckow 2002). They know people in this neighborhood and, as Erik says, can trust that their kids will be watched by other adults (Schmierbach 2002). There is a fierce love for and attachment to this place. Fina Frühling, a puppeteer, is a single mother with three children, and has lived in the Kiez for eight years. She says,

> For me, it is my home there. And I think – not the whole of Prenzlauer Berg, but *this* area is my home... It's really small. It's not the whole. And I think a lot of people think it's your home... In this area, more people live here thinking it is their home than in other areas. (Frühling 2002)

Thomas Meyer is one of the two house residents who grew up in West Germany, and became acquainted with the area by working in a local wine shop. He is glad the Kiez has retained its small-town feel, while other nearby neighborhoods have been discovered by people from outside, whom he compares to the "bridge and tunnel" crowd in Manahattan: people coming in from the suburbs to dress up, sit outside and look cool (Meyer 2002).

But changes are coming to the Kiez of Teutoberger Platz, as well, in the form of an infusion of money and investment. New people with new attitudes are walking the streets and occupying the buildings. The new people exude something of a tourist mentality: Fina says she feels like she's being watched like an animal in a zoo (Frühling 2002). Antje is irritated by the fact that the newcomers have no respect for the people who have lived here a long time, and no genuine curiosity about the extant community (Buckow 2002). Maria Roemer, who at twenty-two is the youngest of the adult residents, grew up in Teutoberger Platz. She compares her neighborhood to the nearby gentrified area of Kollwitzplatz:

> You have places like Kollwitzplatz – when I'm there I get aggressions. I can't go there. There are tourists and money and business and so on and I don't like it. It's not my kind of living. I don't want to live like that. Here it is okay. You still have people from this quarter who have no money, who are artists or musicians, a lot of people with children. Now it's just that business and people with money are fucking around. Now the rent is expensive and people have to move to the village or to Marzahn or I don't know, quarters with less expensive rent, Neukölln or Wedding [other outer Berlin districts]. Now we have to see what's going on and fight here. I don't want to leave here, I love this house, but I want to go if I have the feeling that I can't live here, if I have no air to be. (Roever 2002)

Daniel Klotsch, who grew up in the Plattenbau housing estate of Marzahn, worries that what makes this Kiez special is being lost. Another resident translates his words:

> He feels pity of the fact that higher rents have led to a movement of [low-income] students out of our Kiez. These people were the builders of the positive image that the Kiez has. He feels

> it is a positive image with all the clubs, bars, so on, and now it will be more commercial, and most of the creative people are going to other Kiezes... It could be that it is a loss for this Kiez – all these people leaving. (Klotsch, translated by Kose, 2002)

Erik also is concerned, on a more practical level, that the changing demographics of the neighborhood – the influx of wealthier parents who can afford to send their children to private schools – will result in fewer resources for the publicly-financed kindergartens and a general breakdown of the social system (Schmierbach 2002). Daniela and Steffen worry that the area is becoming, as they say, *schicki-micki*: chic and yuppie (Zeisler 2002, Weidmann 2002). It is the attitude of the newcomers that irritates the residents, the sense that they can buy a certain sort of life, that they are entitled to it because they can pay for it. Maria explains:

> The people came from somewhere and have the money and can stay here. They try to get the feeling in Berlin, but there's no feeling there anymore... Sure, it's hip. But they don't have their own hipness, they don't try to make their own stuff. They come and pay with their money to get the feeling, it's stupid! (Roemer 2002)

It was because they wanted to define their own space and feel secure in it that the residents decided to do the *Selbsthilfe* program – or, in most cases, to join the project after construction had begun.

F. Differences between East and West

Of the seventeen adults living in Fehrbelliner Straße 6, all but two grew up in the GDR. Earlier in its history, the house had a larger proportion of residents from West Germany, but fundamental differences between that group and the others led to the westerners eventually moving out. The differences between the East and West Germans within the house seemed to reflect the larger tensions of the movement of westerners into this formerly East area. According to the residents, there are several important differences between those who grew up in East and West Germany. Specific eastern traits and values affect how the house has been organized, and

are part of why it has been successful. By living in this community, residents hope to retain these traits and values in the midst of a rapidly westernizing world.

One trait is that, according to residents, people from the West *talk*, and people from the East *do*. Even Thomas, who grew up in the West, says that West Germans talk too much. There is a tendency among Westerners, it seems, to overanalyze everything, to turn everything into a political statement and to have rigidly defined politics. Torsten Bendias, a resident who has had many experiences with communal living with West Germans, offers as an example one attitude he encountered in another house: "I cannot accept you in this house if you put your meat beneath my yogurt in the fridge" (Bendias 2002). Daniela says,

> Sometimes I think [West Germans] try to psychoanalyze everything – talk, talk, talk about everything and don't do anything... [East Germans] don't wait, we don't talk any longer, we *do* now. For me it makes something easier. (Zeisler 2002)

Another major difference between East and West is in the attitude towards money. At the time of reunification, East Germans were not used to having money. As Fina says of this time, "We don't know what money is. That's the point, in this time, we don't know what it really means" (Frühling 2002). Even today, East Germans have far fewer savings than West Germans, and few can rely on extra money from their parents. West Germans tend to have cash reserves that have taken years to build. In the GDR, there was no point in saving money, because there never would be anything to spend it on: there were no houses to buy, education was free, and it was hard to leave the country to go on vacation.

Attitudes towards ownership of property, too, are different. Thorsten Stürmer first moved to the area twelve years ago and has participated in many Berlin squats. He describes the attitude towards ownership of some of the West German students who once lived in the house:

> They just always think: it's mine, it's mine, it's mine. They always think in that way... It was: I work here, and in the end I produce something, and the price I get for it, it's higher. That's why I do it! Just because of that, I do something. Not just to live on in a nice place, and if I go, I go. We had really a lot of big fights, and in the end, we are just people from East Germany here [sic], because we had not those problems here. (Stürmer 2002)

Another difference can be seen in attitudes towards responsibility. East Germans, some residents think, have a greater sense of responsibility towards the larger community, which includes the projects in which they are involved. As Steffen explains,

> I think the people which was born in the GDR, they had learned, if you have a problem, you must handle this problem. You can't go. You can't leave the GDR, and you can't leave your problem. And I think sometimes [leaving] is a way to handle problems today. (Weidmann 2002)

Differences between East and West Germans split the house. Frank explains how the East and West Germans who shared the house in earlier times were not able to come to solutions together:

> Depending on the socialization of all, everyone has a different way to solve [a problem], and how to make this cooperation... One cannot adapt to the other's solution of the problem... To practice a third solution, you have to break out from your own socialization. It's a chance for a new kind of growing together. Both parts could try to leave their pasts behind, and try to create something new. But in this house, it wasn't successful. (Kose 2002)

Although some residents have a certain pride in being from East (when asked why she thought their project was successful, Daniela exclaimed, laughing, "Because we are *Ossi*!"), others are careful to point out that not all Western minds have been completely contaminated by capitalism, and that the GDR, after all, was not a good place for many people. Thorsten says that, though he has had problems with money-oriented West Germans, as noted above, he has also known very generous West Germans, and that

> I also don't like groups of East Germans that are really against West people. I think it's stupid. It's really stupid! There was a time here in the house when the house was really like an East German enclave. And the people were like, oh, DDR, DDR, and I was really fucked up about it, because it was not a good place, it was a really hard place for people to live there – it was not socialism there, it was really a dictatorship. Now we have a different dictator: it's money, or globalization, but before it was not all right. It was really bad. (Stürmer 2002)

This is not to say that some conflicts don't continue to exist within the house. During the period of reconstruction, for example, resentment built over the varying amounts of time different people contributed to the work. One resident, in fact, rents a unit in the house but is no longer part of the larger community because of misunderstandings that arose during the construction process (Liebscher 2002). But the residents seem to value conflict. When asked why he thinks living in this house is good for his young daughter, Steffen replies laughingly, "So she can learn to *fight!*" (Weidmann 2002). He is only half-joking. Conflict is part of communication, and open communication is a fundamental value of the house residents.

G. The relationship of the house to the *Kiez*

The relationship of the house to the Kiez is a complex one, and different residents see it in different ways. Frank, who has worked in the Kiez for years on a variety of community projects, says, "For me there never existed a border between the house and the outside" (Kose 2002). For him, living in the house has always been part of a larger involvement in the neighborhood.

But several residents felt that, over the course of the reconstruction process, they actually lost social contacts out in the Kiez. Working on the house took a tremendous amount of energy that some residents had previously spent on projects and connections in the larger community. Before reconstruction, the ground floor of the house, or *Gallerie*, served as a meeting point both for people in the house and for friends in the neighborhood: cafés, cultural evenings, cinema, and dinners were held there. Sometimes they organized big breakfasts in the space on Saturdays, and sometimes a storyteller came for the children. Several of the current residents of the house, in fact, became acquainted with the house through attending events in the Gallerie. Once the

construction process started, however, the Gallerie space was used less and less, and house contact with the community shrank. Henry explains:

> You had to reduce quite a few activities in that [community] part in order to contine your life, and then there is housebuilding on top of that, and then there is your free time – where was it? And you also have to relax. The social activities and the environment were reduced to quite a minimum... in the first period of the building I tried to keep up the cultural evening on Thursday, I did cinema with some support on Friday, and tried to keep up the breakfast club, and then it basically turned out that you can't put enough energy in it in terms of advertising, the cinema didn't run very well, and then I basically did it for us and the kids, and that didn't make much sense anymore. The only thing that made it to the end was the *Donnerstagscafé* [Thursday Café], and it was only one evening a month. (Koch 2002)

In the long term, residents agree that it will be important to restore contact with the community – that, though the period of construction may have been one in which their social activities lay dormant, the time is coming when they will once again be more involved in the Kiez as a whole. The Gallerie has been reconstructed along with the rest of the house, and, with the recent inauguration of a weekly *Montagscafé* (Monday Café), the space is beginning to serve a community function once again. But, as Daniela says, restoring this contact could be a challenge:

> I think [the Gallerie space] is a beginning to make contact out of the house, and to bring people to the house again. I think because of the time of building the house, it's really difficult to find the contact again. To get the people here. They also really feel prejudiced, because it looks so nice here, so *schicki-micki*, and some of the people who came here before the house was renovated are skeptical to come again. I think it's a problem for us. (Zeidler 2002)

Before reconstruction, the house's outer appearance – falling apart, covered in graffitti and banners – announced the alternative nature of the space and the lives of those who lived within it. Now the house may look respectable, but the people inside still live in a way that challenges mainstream values.

H. The purpose of Fehrbelliner Straße 6

Fehrbelliner Straße 6 has no explicit mission. Fed up with the political posturing of some squatters, reluctant to lay out a single statement to which all must adhere, every resident insists on the importance of each person defining his or her own reasons for living there. Yet the residents acknowledge that the house does serve some larger purpose. As Torsten explains,

> Nobody said to me, when I came here, we have a mission. There is no mission, written on the wall. But nevertheless, this feeling for me is really strong, to have a mission. (Bendias 2002)

After weeks of conversation with residents, two main elements have emerged that give the house a certain identity, and which make up what may be seen as a larger purpose.

The first reason for the house's existence is to provide a secure and affordable place for these twenty-five people to live. Most residents emphasize the importance of the relationships within the house. It is a space in which they can create their own small society that, in the face of the rapid economic change all around them, allows them to hold on to their values and not get sucked into the new, money-oriented way of thinking and living. Fina describes why, in the midst of the new capitalism, being able to live in this house is important:

> All the people that grow up in the West, they have it in their blood. The money, and the system. They fight against it, some people, but they have it just in the blood. And we, we come from the East, and we are all a little bit older, and we lived a long part of our life in the East. For us, this is a new system, mostly the money, just over everything, all the relationships, controlled by money. And we don't have it in our blood. We learn it. Sometimes we learn it really hard, really strong. It's called Wild East capitalism. But here are living people who don't have it in the blood, and we are really like newcomers. Inside, quite a lot of us fight against that: I don't want to keep it, I don't want to keep this system inside our heart and inside our mind. And it helps to live like that, here. (Frühling, translated by Stürmer, 2002)

Part of this is allowing the residents, through the low rents they pay, to spend time on other, non-income-earning activities – including working on community projects in the nearby Teutoberger Platz, organizing events in the Gallerie space, playing music, and making art (Bendias 2002, Meyer 2002). Part of it is providing a new way to live for their children, in a community beyond

just their immediate family (Buckow 2002, Zeisler 2002). Part of it, too, is preserving the building as affordable housing for future tenants (Weidmann 2002).

The second reason for the house's existence is to serve as an example to other people: both to other low-income tenants who might be searching for ways to stabilize their own living situations, and for all people, to see that there are alternative ways to form a space to live, that a community can be based on trust and love instead of merely money. As Klaus says,

> We must live in a good way together, be an open house so other people can see us. Be an example... One example is how we build it, and the other is how we live it. This goes on in time and is never closed. (Liebscher 2002)

Frank develops this idea further, saying that the house, if it succeeds as a physical expression of an ideal, could serve a communicative purpose:

> I never gave up this idea to reconstruct the house, for the chance to bring an idea, to make it material, that some other man can sample it, can feel it or show it or taste it. If you have only dreams in your head, you have to bring it to the people in practice, that they can recognize what this idea means for themselves in reality. A spoken idea is only a description. The task is to make it real, to make it feelable. Tangible. It becomes a power. That is the point... for me it's like a visualization of what I was thinking about. Someone can criticize me, love me, hate me, but because of this, what I have made, it's like a communication. (Kose 2002)

The residents of Fehrbelliner Straße 6 have succeeded in creating a secure and affordable housing situation for themselves and their children. The question now is whether they will be able, through their house, to restore communication with the Kiez, and to serve as a model that inspires others to action.

VII. Gentrification and Individualization

A. Gentrification as a process of individualization

The nature of gentrification is such that it happens in a piecemeal fashion; it is this disjointed quality that led scholars such as Berry to downplay its significance. Individual residents of a given neighborhood react differently to such change. Some are happy to be bought out, either selling their homes for inflated prices, or accepting a one-time payment from a landlord eager to be rid of them in order to clear the way for the next generation of high-income renters. Others who manage to stay in the neighborhood, either because they own their homes, live in affordable housing managed by non-profit organizations, or benefit from some form of public rent control, are often happy to receive the benefits of neighborhood upgrading, including improved city services, more employment opportunities, a better selection of consumer goods in local stores, and, for homeowners, increased equity. Some who remain, however, are displeased by the cultural change wrought in their neighborhoods: the fact that many small businesses can no longer afford to rent there, that the new stores offer products they cannot afford, that many of their friends without the fortune to have secure housing must leave the area, and that there may be problems of cultural sensitivity between new and old residents.

In the neighborhoods of the former East Berlin, the way in which gentrification acts as an individualizing force is clear. In Prenzlauer Berg, landlords empty buildings by buying out tenants one at a time. One resident of Fehrbelliner Straße 6 saw a building owner's list of his tenants: next to each name was written the word *verkaufen*, bought, or *noch nicht verkaufen*, not yet bought. Next to the name of his friend, however, a community activist, was written a different word: *schwerig*: difficult (Meyer 2002). The offer of a sum of cash is tempting to

people who are not accustomed to having much money, and the landlord's offer effectively divides tenants, many of whom would rather be bought than be difficult. Those who are able to remain in their buildings now negotiate their rents with landlords on an individual basis, with varying degrees of success. As one resident describes,

> It was a clever way of splitting off house societies, house communities, just offer you money. To go. And then, lots of unemployed people just take the money, and leave, because it was easier. Just take the money – maybe 20,000 German marks – dollars! Just take it! And then in a house with maybe ten families, six of them just take the money, and then [the owners] make a deadline, and just four families maybe want to fight, and then the deadline is over, and then they just go, because of the owner's right to rebuild the house. One thing was the structure, is there was no solidarity between the people... but another thing was the ignorant people. They are not in the mood – they don't have the feeling to stay together and fight together. (Stürmer 2002)

The displacement caused by gentrification is one threat to housing choice that is less susceptible to group action than other threats. Race-based discrimation in housing, for example, can be addressed through class-action lawsuits (see *Gautreaux vs. Chicago Housing Authority*); poor city services and neighborhood conditions can be addressed by organizing public attention in order to force the city to respond (see Peter Medoff and Holly Sklar, *Streets of Hope: the Fall and Rise of an Urban Neighborhood*). It is because gentrification affects similar people differently that it is a difficult phenomenon against which to organize. In the same way that the city *Selbsthilfe* program effectively split the squatter's movement in Berlin, so the private forces of gentrification are now splitting tenant solidarity. It is difficult to formulate a coherent response.

B. The experience of Fehrbelliner Straße 6

The residents of Fehrbelliner Straße 6 are trying to respond to the new economic structures that have been imposed upon them since the fall of the Berlin Wall. The gentrification of their neighborhood is not a simple case of rising rents and forced displacement. It is also

marked by the cultural changes created by larger economic shifts, which are turning it into an area in which they do not feel at home, which could become a place where, as Maria fears, "I have no air to be." What is important to the residents is that they be able to continue to live by some of the values with which they grew up, and that they have the chance to create a new society, as well. This means living in a Kiez and a house community that are not based on capitalist logic: that allow them more time to engage in non-income-generating activities, and give them the physical space to live in a way that prioritizes relationships over pursuit of profit. Specifically, the principle of non-ownership means housing cannot be an investment opportunity, and, as no resident has a personal financial stake in the house, arguments over money are less likely to come between them. The residents are creating what Damaris Rose seeks: an oppositional space "within the noncommodified sphere of daily life, where such interventions [against gentrification] may be tried out" (Rose 1984).

The residents' response to threats of economic and cultural change has been individualized in two ways, if the house as a whole can be seen as an individual project. The first was in choosing to participate in a self-help program. The *Selbsthilfe* program has both splintered the larger squatters movement, and has resulted in a withdrawal, if temporary, of house groups from the larger community in order to perform the necessary sweat-equity labor. Self-help programs, in fact, in their focus on people taking care of themselves, can be quite individually-oriented and conservative in nature. As Steven Katz and Margit Mayer write of self-help programs, with particular reference to Germany, "In the current crisis of the welfare state, the 'return to the individual' (Schelsky, 1976) is heralded everywhere as a conservative strategy of reprivatization" (Katz and Mayer 1984). The second way in which response to gentrification has been individualized is a result of the difficulty of transfering the knowledge created from one

group's experience to other groups of people. In order to succeed, it appears that each group must go through the entire process of learning and doing on its own. Every house and every situation is different, and only a certain amount can be learned from others.

C. The effectiveness of an individualized response

Damaris Rose envisioned a scenario in which "marginal gentrifiers" and long-term residents could work together to create a stable neighborhood for all. The results of this case study do not offer much hope for such broad cooperation. Instead, these residents are turning inward, focusing on their own specific needs for housing and community. This reaction is a result, in large degree, of the individualizing nature of the gentrification process. This individualized response can, in fact, be turned to tenants' advantage: because they are a small group, they are able to operate flexibly, make decisions in the way that best fits the group, and build a structure which derives its strength from its basis in trusting relationships between people. There may still be hope for broader tenants movements: once the residents of Prenzlauer Berg *Selbsthilfe* houses have recovered from their periods of hard construction, a network of house projects could serve as a basis for a stronger tenants movement like *Wir Bleiben Alle*. But the lesson to be learned from the case of Fehrbelliner Straße 6 is that, given the individualizing nature of the gentrifying process, responding at the level of the individual building is one small-scale but effective way to fight the displacement wrought by the economic and cultural forces of gentrification. The challenge for other low-income residents of Prenzlauer Berg, as well as of other gentrifying areas around the world, may be to learn how to replicate this small success for themselves.

Appendix A

Case Study Participants and Interview Dates

As indicated below, one interview was conducted with three residents together, two were conducted with two residents together, and the others were conducted on a one-on-one basis.

Torsten Bendias	March 9, 2002, *with Fina Frühling and Thorsten Stürmer*
Antje Buckow	March 11, 2002
Fina Frühling	March 9, 2002, *with Torsten Bendias and Thorsten Stürmer*
Daniel Klotsch	March 9, 2002, *translated by Frank Kose*
Henry Koch	March 24, 2002, *with Maria Roemer*
Frank Kose	March 21, 2002
Klaus Liebscher	April 1, 2002
Thomas Meyer	March 28, 2002
Maria Roemer	March 24, 2002, *with Henry Koch*
Erik Schmierbach	March 6, 2002
Thorsten Stürmer	March 9, 2002, *with Torsten Bendias and Fina Frühling*
Steffen Weidmann	March 11, 2002, *with Daniela Zeisler*
Daniela Zeisler	March 11, 2002, *with Steffen Weidmann*

Appendix B

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